

AGREEMENT
between
THE TAIPEI ECONOMIC AND CULTURAL REPRESENTATIVE OFFICE
IN THE UNITED STATES
and
THE AMERICAN INSTITUTE IN TAIWAN
for TECHNICAL COOPERATION
in
CLEAN COAL AND ADVANCED POWER SYSTEMS TECHNOLOGIES

ARTICLE I - SCOPE

This Agreement provides a framework through which the American Institute in Taiwan (AIT) through the Department of Energy of the United States of America, Fossil Energy Office of Coal and Power Systems (DOE), AIT's designated representative, can provide technical expertise and training to, and engage in scientific exchange activities with, the Ministry of Economic Affairs, Energy Commission (MOEAEC), the designated representative of the Taipei Economic and Cultural Representative Office in the United States (TECRO), on a reimbursable basis.

ARTICLE II - AUTHORIZATION

This Agreement is entered into pursuant to the Taiwan Relations Act of April 10, 1979, Public Law 96-8 (22 USC 3301 et seq.).

ARTICLE III - OBJECTIVES

The broad objective of this Agreement is to establish a framework through which AIT, acting through DOE, its designated representative, can carry out reimbursable technical cooperation with TECRO's designated representative, MOEAEC. The technical objectives of the cooperation are:

1. To undertake cooperative activities that will strengthen knowledge and capabilities for utilization of improved advanced power systems and related technologies on Taiwan.
2. To provide technical assistance to plan and implement clean coal and advanced power systems for Taiwan.
3. To provide education and training for Taiwan participants identified by TECRO's designated representative, MOEAEC.
4. To provide knowledge concerning how to structure and finance incentive programs for improved advanced power systems technologies.
5. To promote joint scientific and technical exchange programs.
6. To provide training for organizations on Taiwan in the management of research,

development and technology transfer.

ARTICLE IV - COOPERATIVE ACTIVITIES

Cooperative activities under this Agreement will be determined after consultations between AIT and its designated representative, DOE, and TECRO and its designated representative, MOEAEC. Cooperation may include, but is not limited to the following:

1. Conduct of joint research projects.
2. Development of systems specifications and acquisition plans.
3. Exchange of information.
4. Exchange of scientific and technical personnel for participation in agreed research, development, analysis, design and experimental activities.
5. Organization of seminars and other meetings on agreed topics.
6. Training Taiwan participants.
7. Other forms of cooperation in the areas of improved advanced power systems, clean coal technology and by-product utilization technology as may be mutually agreed.

ARTICLE V - IMPLEMENTING ARRANGEMENTS

- A. When AIT and TECRO agree to undertake any form of cooperation under this Agreement, they will conclude an Implementing Arrangement, which shall refer and be subject to the terms of this Agreement.
- B. Each Implementing Arrangement shall specify the technical scope of the activities, management responsibilities, specific funding arrangements, cost and schedule estimates, procedures to be followed, including those for review of accounts and records, treatment of intellectual property, liability and other appropriate matters.
- C. All cooperative activities undertaken pursuant to specific Implementing Arrangements under this Agreement shall be subject to (a) the applicable laws, regulations, policies, and administrative procedures that govern AIT, and its designated representative, DOE, and TECRO, and its designated representative, MOEAEC, respectively; and (b) the availability of appropriated funds.

ARTICLE VI - RESPONSIBILITIES OF TECRO

- A. Pursuant to this Agreement, TECRO shall assist AIT in obtaining visas and other documents necessary for personnel of AIT's designated representative, DOE, who visit Taiwan under the auspices of AIT in order to carry out this Agreement.

- B. Pursuant to this Agreement, TECRO shall assist AIT in obtaining the necessary permits and authorizations for carrying out the assistance specified in the Implementing Arrangements to this Agreement, including access to facilities and areas under the jurisdiction of TECRO's designated representative, MOEAEC, by personnel of AIT's designated representative, DOE, who are on Taiwan under the auspices of AIT.
- C. TECRO shall, pursuant to this Agreement, ensure that AIT, and its designated representative, DOE, are exempt from all customs duties and imposition of charges by the authorities in the territory represented by TECRO. Neither AIT nor its designated representative, DOE, shall be required to pay any duties, taxes, or similar charges of any kind in executing the terms and conditions of this Agreement.

ARTICLE VII - RESPONSIBILITIES OF AIT

- A. AIT shall, through its designated representative, DOE, keep accurate and systematic accounts and records with respect to the services provided pursuant to this Agreement in such form and detail as is customary, and shall permit TECRO, or its designated representative, MOEAEC, to inspect same and make copies thereof.
- B. AIT shall, through its designated representative, DOE, furnish to TECRO, or its designated representative, MOEAEC, such information related to the services AIT shall provide to TECRO pursuant to this Agreement as may be reasonably requested.
- C. Upon completion of specific services provided to TECRO, as delineated in the Implementing Arrangements to this Agreement, AIT's designated representative shall deliver to TECRO, or to its designated representative, MOEAEC, copies of all reports, calculations, comments, suggestions, and relevant technical data compiled or prepared by AIT, or its designated representative, DOE, under this Agreement.
- D. To the extent that funds are made available to AIT by TECRO, AIT, through its designated representative DOE, will make available qualified personnel, equipment and facilities necessary to carry out activities pursuant to this Agreement.
- E. To the extent that funds are made available to AIT by TECRO, AIT, through its designated representative, DOE will provide all technical, administrative, and other support as may be necessary to deliver the services of personnel of AIT's designated representative, DOE, who are on Taiwan under the auspices of AIT.

ARTICLE VIII - FINANCIAL ARRANGEMENTS

- A. Activities under this Agreement shall be conducted on a fully reimbursable basis unless other arrangements are agreed to in Implementing Arrangements to this Agreement.

- B. AIT through its designated representative, DOE, shall provide TECRO with documentation supporting requests for reimbursement in accordance with standard financial regulations and practice of AIT and its designated representative, DOE.
- C. Pursuant to Article V, each Implementing Arrangement shall specify funding and payment arrangements for activities covered by the Implementing Arrangement and shall include an estimated budget for at least the first year of activity.
- D. TECRO shall make necessary arrangements to reimburse AIT for all actual costs incurred by AIT, or its designated representative, DOE, relating to activities under this Agreement.

ARTICLE IX - INTELLECTUAL PROPERTY

- A. AIT and its designated representative, DOE, and TECRO, and its designated representative, MOEAEC, support the widest possible dissemination of information provided, exchanged, or arising under this Agreement subject to the need to protect proprietary information, inventions, copyrights, and other intellectual property.
- B. Details concerning the protection and allocation of intellectual property and the dissemination of information will be specified in each Implementing Arrangement to this Agreement.
- C. Information transmitted by either Party to this Agreement to the other Party shall be accurate to the best knowledge and belief of the transmitting party, but the transmitting Party does not warrant the suitability of the information transmitted for any particular use or application by the receiving Party or by any third party. Information developed jointly by the Parties shall be accurate to the best knowledge and belief of both Parties. Neither Party warrants the accuracy of the jointly developed information or its suitability for any particular use or application by either Party or by any third party.

ARTICLE X - LIABILITY

TECRO shall assist in the defense against any suit brought against the Government of the United States, AIT, AIT's designated representative, DOE, or any instrumentality or officer of the Government of the United States or of AIT arising out of activities under this Agreement. TECRO further agrees to hold the United States, AIT, AIT's designated representative, DOE, or any instrumentality or officer of the United States or of AIT, harmless against any claim by TECRO, its designated representative MOEAEC, or any entity or person on Taiwan or elsewhere for personal injury, death or property damage arising out of work performed under this Agreement.

Except for damage to, or destruction of, property of AIT, or its designated representative, DOE, caused by personnel of AIT, or its designated representative, DOE, TECRO agrees to reimburse

AIT, or its designated representative, DOE, for any damage to or destruction of property belonging to AIT, or its designated representative, DOE, arising out of activities under this Agreement.

ARTICLE XI - EFFECTIVE DATE

This Agreement will become effective on the date of the last signature hereafter.

ARTICLE XII - AMENDMENT AND TERMINATION

This Agreement and its Implementing Arrangements may be amended by the written agreement of AIT and TECRO.

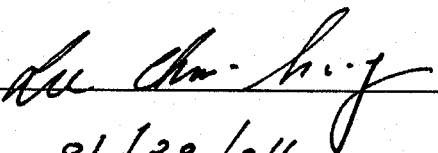
This Agreement may be terminated by either Party at any time by written notification to the other Party and its designated representative at least sixty days in advance of the desired termination date. It is understood that an attempt will be made to reach mutual agreement on the termination date to allow orderly termination of activities and repatriation of personnel.

ARTICLE XIII - RESOLUTION OF DIFFICULTIES

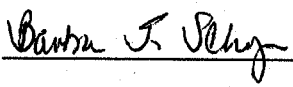
AIT and TECRO shall consult, upon request of either Party, regarding any matter related to the terms of this Agreement, and shall endeavor jointly, in a spirit of cooperation and mutual trust, to resolve any difficulties or misunderstandings that may arise.

FOR THE TAIPEI ECONOMIC AND
CULTURAL REPRESENTATIVE OFFICE
IN THE UNITED STATES:

FOR THE AMERICAN INSTITUTE
IN TAIWAN:



01/20/04
Date



10/31/03
Date